

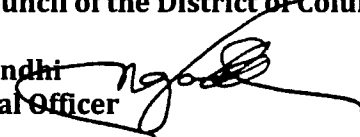
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: October 1, 2010

SUBJECT: Fiscal Impact Statement – “Kelsey Gardens Redevelopment Project Real Property Limited Tax Abatement Assistance Amendment Act of 2010”

REFERENCE: Bill Number 18-1010 – As Introduced

Conclusion

Funds are sufficient in the FY 2011 through FY 2014 proposed budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation would amend the terms for the tax abatement previously provided to the Kelsey Gardens Redevelopment Project (“Project”)^{1,2} by stipulating that the Project would need to have a mortgage from the U.S. Department of Housing and Urban Development (HUD) *or a commercial mortgage entity* in order to qualify for the abatement, and that accordingly the real property tax abatement would expire at the stated maturity date of a mortgage from HUD *or the commercial mortgage entity that provides construction and permanent financing*.

Emergency legislation³ regarding these changes was enacted on July 30, 2010.

¹ Described as Lots 67 and 68, Square 421.

² “Kelsey Gardens Redevelopment Project Real Property Limited Tax Abatement Assistance Act of 2009” was passed subject to appropriations and became effective on December 17, 2009. See D.C. Law 18-97, 56 DC R 8528. “Fiscal Year 2011 Budget Support Act of 2010” removed the subject to appropriations language for the Project for FY 2010 through FY 2012; the subject to appropriations provisions will still apply for FY 2013 and later. See D.C. Law 18-223, 57 DCR 6242.

³ “Kelsey Gardens Redevelopment Project Real Property Limited Tax Abatement Assistance Clarification Emergency Act of 2010,” enacted July 30, 2010 (D.C. Act 18-519, 57 DCR 7995).

The Honorable Vincent C. Gray

FIS: B18-1010 "Kelsey Gardens Redevelopment Project Real Property Limited Tax Abatement Assistance
Amendment Act of 2010," as Introduced

Financial Plan Impact

Funds are sufficient in the FY 2011 through FY 2014 proposed budget and financial plan to implement the provisions of the proposed legislation. Changing the terms of the property tax abatement would not alter the estimated amount of the abatement, which is currently funded through FY 2012. There is no fiscal impact.